matter. It is not that these matters are left, as you think, to be decided as a matter of course by clerks fresh from Universities.

As to the auditing of accounts of companies where accounts are well kept and are audited by chartered accountants or other qualified accountants, there is no difficulty whatsoever. It is only in the case of little firms who keep no proper accounts that the Income-tax Department has to step in and audit accounts, and in such cases there is often difference of opinion.

Then you talk of the removal of the defects of the Insolvency Regulation. As I said earlier in the course of this session the High Court have under consideration the question of revising the rules under the Insolvency Regulation.

As regards legislation to control *hundi* merchants, if you had specified the particular errors or irregularities, it would have been easier to understand in what direction remedial measures are necessary. However, I shall ask the authorities concerned to go into the matter and if necessary frame rules for their guidance.

As to the holding of commercial and economic conferences you suggest this because there is no Chamber of Commerce in Travancore. Well, the formation of a Chamber of Commerce is essentially a matter for the merchants. They should consider this and until the formation of one, the summoning of conferences to consider commercial and economic questions is a matter for the merchants and traders to initiate. If they find a conference necessary I have no doubt they will hold one.

**139. Development Departments**

MR. N. GOPALA PANIKKAR (*Member, Ambalapuzha taluk, Group I*) said that the object of his representation was to make a few suggestions for reforming the constitution and working of the three development departments *viz.*, the Departments of Agriculture and Fisheries, Industries, and Co-operation. Two of these departments were at least eleven years old and one was twice as much. But all had failed alike to be of any practical use.

To take the departments one by one, the Agricultural Department had concerned itself hitherto chiefly with the scientific analysis of soils, examination of plantations, maintenance of demonstration farms, distribution of manures, and dissemination of scientific information. Of these, the scientific analysis of soils was not known to have been of any practical use whatever. So far as demonstration farms were concerned, people never knew the exact methods of cultivation followed in these farms or their actual results. Granting that scientific ways of cultivation were very successful, there were two cardinal obstacles in the way of the cultivator which he had to overcome. One was the natural deterioration of the soil and the other was the want of capital. In Kuttanad, for example, owing to the degeneration of the soil, most of the *punja* fields which used to be cultivated twice in the year were now cultivated only once in the year and most of the fields which used to be cultivated annually were now cultivated only once in two years. If the condition of these *punja* fields should be improved, the Agricultural Department should devote its attention to the opening of canals and channels across the fields to drain off the saline substances accumulating in the soil rather than busy itself with stimulating the soil by the application of artificial manures. In the *kari* lands, again, what the department should do was to prevent the inrush of brine by the construction of water-locks, embankments etc. The Revenue Department had also to do something in this direction. Unless that department desisted from its policy of selling away the irrigation channels and canals, *punja* cultivation in Kuttanad would go to ruin. So far as minor irrigation works were concerned, these should be entrusted to an irrigation section to be organised as a part of the Department of Agriculture. In order to relieve the indebtedness of the cultivators, Government had instituted the system of agricultural loans and organised the Department of Co-operation. But both these missed the mark. The Departments of Agriculture and Co-operation should work under the same departmental head and agricultural loans should be issued mainly through the Co-operative Department solely for the benefit of the poor cultivators.

In the Department of Industries there were several high-paid officers. Nobody knew what work these officers were doing. The textile expert was an officer

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who could do a great deal of work in regard to weaving. Instead of trying isolated weaving institutions, it would be far more successful to try it on a co-operative basis. The oil expert and the tanning expert were never known to do anything more than a few unsuccessful experiments. Government should require them to investigate the possibilities of developing their industries in the State. Under the existing conditions of the country, cottage industries could be more successfully developed than factory industries, and the experts of the Department of Industries had to turn their attention to this matter.

In regard to the Department of Co-operation, most of the co-operative societies in the State were credit societies, only a few being productive and distributive societies. But the last two were the kind of societies which were most needed for the regeneration of the ryots. A commission should therefore be appointed to enquire into the condition and organisation of the present co-operative societies. Secondly, people should be associated more and more in the control of co-operative societies. Most of the controlling work which was being done by Co-operative Inspectors could, for this purpose, be devolved on taluk unions, and the number of union supervisors might be increased. Thirdly, in order to relieve the indebtedness of cultivators a schemes hould be prepared for giving them long term loans so as to enable them to redeem their lands. Fourthly, the Co-operative Department should be made responsible for the issue of agricultural loans. Fifthly, the department should concern itself with the improvement of the social and economic conditions of small cultivators and artisans. In conclusion, the member urged for the amalgamation of the Departments of Agriculture and Fisheries, Industries, and Co-operation under a common head. Instead of wasting money in conducting isolated experiments in agriculture and industries, a technological institute should be attached to H. H. The Maharaja's College of Science. The propaganda work of the Agricultural, Industries and Co-operative Departments should be conducted in a more organised form. A central institute should be established for giving training in the work of the departments to officers and to interested persons.

DEWAN'S REPLY: Mr. Gopala Panikkar, your comments upon the subject of agriculture are in such general terms that I find much difficulty to seize upon any one particular subject, and so I am not able to give you an assurance of remedial measures. You speak of reduction of expenditure on agricultural and industrial experiments and the application of money thus saved to agricultural and industrial loans. The main functions of the Departments of Agriculture and Industries are educational, explanatory and instructive. And these objects can only be achieved by steady experiments in various directions, and if but two or three experiments prove successful in two or three years or so, we should have reason for gratification. These departments unfortunately are not like machines into which we pour material and turn a handle and produce a fixed number of articles every day. They must slowly feel the way, and accommodate themselves to the mentality and customs and habits of the people. I therefore regret to say that it is not possible to accept your suggestions that all experimentation should stop and the money diverted to agricultural loans.

Your next suggestion is that the distribution of agricultural and industrial loans should be through co-operative societies. That would be needlessly delimiting the scope of such loans. Co-operative societies grant loans only to the members of those societies. Furthermore, these societies are not such as to enable them to grant large loans. You suggest that the Department of Agriculture should attend to minor irrigation works. Minor irrigation works and all irrigation works are mainly in the nature of civil engineering problems. But I agree with you that some improvement is necessary in the machinery of work upon minor irrigation. That is receiving attention at the present moment and I hope to evolve a satisfactory method before long.

In regard to cottage industries it is very easy to pronounce upon the desirability; it is more difficult to create industries. The Industries Department is making attempts and creating tendencies and pointing the way, and so far, the activities in that direction are not to be deprecated.

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